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SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

- - - - -  
IN THE MATTER OF )

)  
TERRA FIRMA INVESTMENTS (GP) LIMITED )  
(for and on behalf of the six limited )  
constituting the Terra Firma Capital )  
Partners II Fund), and TERRA FIRMA )  
INVESTMENTS (GP) 3 LIMITED (for and )  
on behalf of Terra Firma Capital )  
Partners III, L.P.), )

Plaintiffs, )

v. )

)  
CITIGROUP INC., CITIBANK N.A., )  
CITIGROUP GLOBAL MARKETS LIMITED )  
and CITIGROUPGLOBAL MARKETS, INC., )  
Defendants. )  
- - - - -

INDEX NO.  
603737/2009

CONFIDENTIAL VIDEOTAPED DEPOSITION OF IAIN STOKES

VOLUME I

Friday, August 6, 2010

AT: 9:02 a.m.

Taken at:

Paul Weiss  
Alder Castle  
10 Noble Street  
London, EC2V 7JX  
United Kingdom

Court Reporter:

Leanne Shipp

Accredited Real-time Reporter

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1 what the document does, which all the questions in this  
2 series, so same objection.

3 BY MR. BAUGHMAN

4 Q. You can answer.

5 MS. DYER: You can answer.

6 A. Would you repeat the question, please?

7 BY MR. BAUGHMAN

8 Q. As a director, did you believe you were  
9 exercising your fiduciary duty, authorizing a bid up to 285p  
10 when the only information you had was that Cerberus was  
11 going to bid less than 265?

12 MS. DYER: Objection to form. And Jack, if you  
13 can read the recommendation in the question, that's one  
14 thing, but it's with the ability to increase this offer to  
15 285 pence per share.

16 MR. BAUGHMAN: Please don't coach the witness.  
17 You can object --

18 MS. DYER: No, you're mischaracterizing the  
19 document.

20 MR. BAUGHMAN: I'm not -- I'm not referring to the  
21 document. I'm asking a question. I'm perfectly entitled to  
22 ask whatever questions I want.

23 MS. DYER: Well, you've mischaracterized the  
24 document for about ten times.

25 A. And I'm sorry, but can I ask you to repeat

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1 the question, please?

2 BY MR. BAUGHMAN

3 Q. You had information that Cerberus was going  
4 to bid less than 265, correct?

5 A. Yes.

6 Q. Did you have any information that anyone else  
7 was going to bid at any price?

8 A. Um ... not --

9 Q. Okay, so why --

10 A. -- specifically.

11 Q. -- did you consider making a bid at any price  
12 higher than 265?

13 MS. DYER: Ob -- objection to form.

14 A. It was to -- it was to -- to allow us the  
15 head room. It was to -- to use an expression, to line up  
16 our ducks, at this stage we're actually lining up our ducks,  
17 so should a -- an escalation of the bid occur, then the  
18 board had considered that possibility and had allowed any --  
19 any counter bid to be -- to be responded to.

20 BY MR. BAUGHMAN

21 Q. When you voted to authorize a bid of 265p,  
22 did you believe that you were paying fair market value for  
23 EMI?

24 MS. DYER: Objection to form.

25 A. Um ... as part of the process leading up to

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1 this meeting, the board had considered that the assets of  
2 Dice could support a price of 265 and subsequently felt  
3 that, you know, it could, if needs be, go up to 285, but  
4 there was never any need to go higher than the 265.

5 BY MR. BAUGHMAN

6 Q. In bidding 265p, did you feel that you were  
7 bidding more than the assets of the company were worth?

8 MS. DYER: Objection to form. You can answer.

9 A. We felt as a board that the assets were a --  
10 supportable at that price. That -- that -- that it could  
11 support the capital structure that was required at that  
12 price.

13 BY MR. BAUGHMAN

14 Q. I'm going to mark as the next Exhibit 18  
15 a document with the Bates Nos. TF97070 to 97146.

16 (Stokes Exhibit 18 marked for identification)

17 Q. Exhibit 17 is a document marked,  
18 "Project Dice presentation to the IAC", dated May 2007. Do  
19 you see that?

20 A. Exhibit 18.

21 Q. I'm sorry, sir, thank you. Now, is this the  
22 presentation that you reviewed as part of the meeting at the  
23 airplane hangar on April 20 -- May 20, 2007?

24 MS. DYER: Objection to form.

25 A. Um ... I can't specifically recall that it

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1 was -- it was this one, but it's not unreasonable.

2 BY MR. BAUGHMAN

3 Q. Okay. Well, the minutes, Exhibit 15, refer  
4 to ... um ... a presentation dated May 20, 2007, right?

5 A. Yes, they do.

6 Q. Okay. And I've given you a document that  
7 says "Project Dice" and it's May 20, 2007. Are you aware of  
8 any other presentation?

9 A. No. No, I'm not. And as I said earlier,  
10 it's reasonable to presume that this was the document that  
11 was tabled.

12 Q. Okay. When you use the word "tabled", you  
13 mean brought forward for discussion, right?

14 A. There was -- there was the -- it was  
15 a document -- there was a document in any discussion, yes.

16 Q. I'm not trying to be tricky. It's a total  
17 British/American --

18 A. That's fine.

19 Q. -- usage --

20 A. Fine.

21 Q. -- thing.

22 A. Okay.

23 Q. In America, to table something means to stop  
24 talking about it.

25 A. No.